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Ad**r**i Vaty Control: 7136

FROM: TOKYO

Rec'd: JULY 12, 1957

TOK TO

7:38 AM

TO:

Secretary of State

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SENT DEPARTMENT 117, REPEATED INFORMATION PARIS 4.

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PARIS PASS USRO/ST

REFERENCE DEPTEL 90.

EMBASSY BELIEVES JAPAN LIKELY TO TAKE JAUNDICED VIEW TOWARD PROPOSAL FOR BOTH PROCEDURAL AND SUBSTANTIVE REASONS.

A. SINCE JAPAN NOT MEMBER NAC. IT WOULD CERTAINLY LOOK
UNFAVORABLY UPON COUNCIL REVIEWING TRADE CONTROL QUESTION
IN WHICH JAPAN VITALLY INTERESTED. THIS PARTICULARLY TRUE
DUE TO PROBABLE BELIEF US WOULD NOT PROPOSE REVIEW IF WE
DID NOT HAVE SOME PRACTICAL COURSE ACTION MIGHT FOLLOW.
IN ADDITION TO EXCEEDINGLY IMPORTANT CONSIDERATION NATIONAL
PRIDE, JAPAN CONSIDERS ITSELF IN COMPETITION WITH UK AND
OTHER WESTERN EUROPEAN COUNTRIES FOR CHINA MARKET. DOUBTLESS
WHILL BELIEVE ATTITUDES OTHER COUNTRIES PARTICIPATING IN REVIEW
WILL NOT ENTIRELY BE UNINFLUENCED BY COMMERCIAL CONSIDERATIONS,
POSSIBLE DISADVANTAGE JAPAN. DOUBTFUL JAPAN WOULD FEEL
HISELF MORALLY BOUND ACCEPT ANY RECOMMENDATIONS WHICH MIGHT
FLOW FROM NAC REVIEW THIS ISSUE IF IT WERE NOT INVITED TO
PARTICIPATE.

B. ALTHOUGH JAPAN HAS COOPERATED WITH US IN QUESTION COMMUNIST CHINA TRADE, VIEW HERE ALMOST UNANIMOUSLY FAVORED RECENT RELAXATION CHINA CONTROLS. CONSIDERABLE INTEREST BEING SHOWN AT PRESENT TIME IN POSSIBILITY EXPANSION TRADE WITH COMMUNIST CHINA. INTRODUCTION PROPOSAL AT THIS TIME BY US LIKELY BE BELIEVED NEW EFFORT BY US RE-ESTABLISH HIGHER LEVEL CONTROLS

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-2-117, JULY 12, 7 PM, FROM TOKYO

WHICH THEREFORE PROBABLY BE OPPOSED.

MACARTHUR

CWD: RSB

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